

ORDER NO. 1767

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Robert G. Taub, Vice Chairman;
Mark Acton;
Tony Hammond; and
Nanci E. Langley

Competitive Product Prices
Priority Mail International Regional Rate Boxes
Non-Published Rates

Docket No. MC2013-53

Competitive Product Prices
Priority Mail International Regional Rate Boxes
Non-Published Rates Contracts (MC2013-53)

Docket No. CP2013-69

NOTICE AND ORDER CONCERNING ADDITION OF PRIORITY MAIL
INTERNATIONAL REGIONAL RATE BOXES—NON-PUBLISHED RATES
TO THE COMPETITIVE PRODUCT LIST

(Issued June 27, 2013)

I. INTRODUCTION

The Postal Service seeks to add Priority Mail International Regional Rate Boxes—Non-Published Rates (PMI RRB-NPR) to the competitive product list.¹ It provides a related model contract (Request, Attachment 4) and addresses filing practices for individual contracts within the new product. Request at 5.

¹ See Request of the United States Postal Service to Add Priority Mail International Regional Rate Boxes—Non-Published Rates to the Competitive Product List and Notice of Filing Priority Mail International Regional Rate Boxes—Non-Published Rates Model Contract and Application for Non-Public Treatment of Materials Filed Under Seal, June 25, 2013 (Request).

II. POSTAL SERVICE'S FILINGS

The Postal Service filed the Request, supporting attachments, sealed documents, and a public Excel file with redacted financial documentation to support the addition of the new product to the competitive product list. The Request is based on Governors' Decision No. 11-6. *Id.* at 1-2. It was filed pursuant to 39 U.S.C. 3642 and 39 CFR 3020 *et seq.* *Id.* at 1.

The Postal Service describes PMI RRB-NPR as a product that offers incentive pricing to small and medium-size business mailers that satisfy prescribed capability requirements and are willing to enter a contractual commitment to tender certain minimum levels of postage for PMI RRB on an annualized basis. *Id.* at 4. Certain requirements attach if customers use a permit imprint using Postal Service-provided Global Shipping Software. *Id.* at 5.

Attachments to the Request include:

- Attachment 1—an application for non-public treatment of materials filed under seal;
- Attachment 2A—a redacted version of Governors' Decision No. 11-6;
- Attachment 2B—a proposed version of the Mail Classification Schedule language for the new product;
- Attachment 2C—a redacted version of a management analysis of pricing and methodology for the new product;
- Attachment 2D—a redacted version of maximum and minimum prices for Priority Mail International Regional Rate Boxes under PMI RRB-NPR;
- Attachment 2E—the certified statement required by 39 CFR 3015.5 (c)(2) concerning prices for applicable negotiated service agreements under PMI RRB-NPR;
- Attachment 3—the Statement of Supporting Justification required by 39 CFR 3020.32; and
- Attachment 4—a redacted version of the PMI RRB-NPR model contract, which includes Annex One (prices) and Annex Two (country price groups).

Id. at 2-3.

The Postal Service addresses several elements of the non-discounted price table for PMI RRB-NPR, including the three box types that will be offered and related weight limits and dimensions. *Id.* at 4. It identifies eight country price groups. *Id.* at 5. The Postal Service states that the Management Analysis (Attachment 2C) provides an explanation of how floor and ceiling prices are established. *Id.* The Postal Service also states it anticipates the Commission will ask that PMI RRB-NPR filings be similar to GEPS-NPR 4 filings and that notice of new rates for PMI RRB-NPR will necessitate the addition of successor filings. *Id.*

The Postal Service presents reasons why the proposed new product satisfies the criteria in 39 U.S.C. 3642(b)(1) and (2) (concerning product category and monopoly status), and states that the Statement of Supporting Justification addresses 39 U.S.C. 3642(b)(3) (market considerations). *Id.* at 6-7.

The Postal Service asserts that redacted portions of materials filed under seal should remain confidential as sensitive business information. *Id.* at 7. The Postal Service also intends to rely on the application for non-public treatment filed as Attachment 1 in this docket when it files actual PMI RRB-NPR customer agreements. *Id.* at 8.

III. NOTICE OF FILINGS

The Commission establishes Docket Nos. MC2013-53 and CP2013-69 to consider matters raised by the Request. Interested persons may submit comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR 3015.5, and 39 CFR part 3020, subpart B. Comments are due no later than July 8, 2013. The public portions of these filings can be accessed via the Commission's website (<http://www.prc.gov>). Information on how to obtain access to sealed portions of the filing appears at 39 CFR part 3007.

The Commission appoints Manon A. Boudreault to serve as Public Representative in these dockets.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket Nos. MC2013-53 and CP2013-69 to consider matters raised in each docket.
2. Pursuant to 39 U.S.C. 505, Manon A. Boudreault is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
3. Comments by interested persons in these proceedings are due no later than July 8, 2013.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary